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*To ensure access to high-quality,
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and through collaboration with
community and university partners.*



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June 25, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF DELEGATED AUTHORITY TO AMEND THE HEALTHY
WAY L.A. HEALTH CARE INITIATIVE AGREEMENTS WITH THE
COMMUNITY PARTNERS TO REVISE CONTRACT REQUIREMENTS
RELATED TO PAYMENT OF PHARMACY FEES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of amendments to the Healthy Way L.A. Health Care Initiative Agreements to revise contract requirements related to payment of pharmacy fees to the Community Partners for the Healthy Way L.A. Matched Program.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of Health Services (Director), or his designee, to execute amendments to current Healthy Way L.A. Health Care Initiative (HWLA) Agreements with the Community Partners (CP) listed in Attachment A, effective upon Board approval, to: i) revise contract provisions related to payment of pharmacy fees for the HWLA Matched Program, effective June 19, 2013, at an estimated cost of \$449,500 for the remaining Agreement term through December 31, 2013, and ii) clarify any ambiguous contractual language.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will enable the Department of Health Services (DHS) to amend the existing HWLA Agreements with the CPs to change the payment amounts and procedures for antiretroviral therapy, and to delete unnecessary language as well as make corrections and/or clarifications to any ambiguous provisions in the Agreement.

Background

The California Department of Health Care Services (DHCS), Centers for Medicare and Medicaid (CMS), and the Health Resources and Services Administration (HRSA), determined that Low Income Health Program (LIHP) – eligible persons with HIV must enroll in the LIHP, rather than receiving their medical care through the Ryan White Part A program and receiving their pharmaceuticals through the State and Ryan White-funded AIDS Drug Assistance Program (ADAP). The federal agencies confirmed that Ryan White funding is funding of “last resort” and thus determined that HIV patients who are LIHP eligible must enroll in the LIHP to receive federal funding for their LIHP covered services. Since July 1, 2012, HIV patients seeking recertification (renewal) of their ADAP benefits have been automatically screened for LIHP eligibility. Those that appear LIHP-eligible must apply for the LIHP. Patients enrolled in the LIHP, known as HWLA in Los Angeles County, access their medications through HWLA pharmacy networks, and have no access to medications through ADAP.

On June 12, 2012, the Board delegated authority to DHS to amend existing CP agreements to implement administrative and programmatic changes in order to respond to the evolving needs of the HWLA Matched and Unmatched Programs, including the transition of the aforementioned patients to HWLA. In order to ensure that this newly transitioned patient population was able to receive timely, uninterrupted access to medications, DHS contracted with a 340B contract pharmacy administrator, Ramsell Public Health Rx (Ramsell), and provided the CPs with the option of receiving reimbursement through that mechanism for HIV/AIDS related drugs provided to HWLA enrollees. Due to a court order, DHS must cease its agreement with Ramsell and therefore the HWLA Agreements must be amended to update language to allow for reimbursement to the CPs for the fees they were reimbursed for under the Ramsell agreement.

The CPs which have been utilizing the Ramsell agreement have three options to ensure there is minimal disruption in drug access for HIV patients. Each CP with an HIV clinic has their own contract with Ramsell, and some clinics are exploring with Ramsell the possibility of continuing to work with Ramsell, independent of County involvement. CPs may also use their current pharmacy network for antiretroviral HIV drugs, and retroactively bill DHS through the general contract claims adjudicator, AIA, as they do for other types of pharmaceuticals. To alleviate cash flow issues inherent in adding the HIV drugs to this process, AIA has agreed to expedite claims processing for HIV drugs and will be able to pay CP HIV pharmaceutical claims within a week of submission. DHS and AIA will be collaborating on a series of trainings for CPs choosing this option to teach them how to bill AIA for this type of service. Under both of these options, the CP will be paid at 340B drug acquisition rates for the pharmaceuticals that are provided to patients. Finally, CPs without any other access options will be able to refer their HIV patients to DHS-operated pharmacies to receive their antiretroviral therapies. Given HRSA regulatory limitations, these prescriptions will not be filled at 340B drug acquisition cost.

Implementing these options will ensure continuity of care for HIV-infected HWLA members and were specifically designed to minimize disruption in care. These options will help: (1) ensure that HIV-infected HWLA members can continue their medication adherence/compliance, (2) promote continued patient-provider relationships and (3) minimize changes in pharmacy locations for

members. Continuity of care is critical for controlling viral (HIV) replication among these members who suffer from this chronic condition. HIV-infected HWLA members will experience no changes in the types of medication that they are eligible to receive under these options. These options preserve access to care.

Agreement Amendment

In order to provide these options, adjustments to the pharmacy payment amounts presently in the CP agreement must be made. Under the proposed Amendment, CPs which dispense or arrange for the dispensing of antiretroviral prescriptions will receive the following fees:

Dispensing Fee: \$12 per each antiretroviral prescription;

Processing Fee: \$4 per each antiretroviral prescription;

Mail Delivery Fee: \$7.50 per month for each patient who receives antiretroviral therapy by mail or direct delivery.

These fees will not be reimbursed for any prescriptions dispensed at a DHS pharmacy.

In addition, review of the pharmaceutical claim provisions of the CP contract has disclosed some ambiguities. Approval of the requested action would authorize DHS to amend the contracts to clarify those and other ambiguous provisions, to assure a more efficient administration of the contract.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operation Effectiveness, and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated costs for the fees associated with dispensing antiretroviral prescriptions for the period of June through December 2013 are as follows: \$311,000 for pharmacy dispensing fees; \$120,000 for processing fees; and \$18,500 for mail/delivery fees, for a total estimated cost of \$449,500.

These fees are similar to those paid to Ramsell, and funding has been included in DHS' Fiscal Years 2012-13 and 2013-14 budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 14, 2011, the Board approved the current Agreements with CPs to provide HWLA Matched and Unmatched Services to implement the MCE component of the LIHP. These agreements replaced previous Public Private Partnership agreements, HWLA, and SB474 agreements. On September 20, 2011, the Board delegated authority to DHS to execute amendments to existing HWLA-Matched agreements and to offer new HWLA-Matched agreements, to accommodate the transition of Ryan White Care Act program clients to HWLA.

On January 10, 2012 and June 12, 2012, the Board delegated authority to DHS to amend existing Community Partner agreements to implement administrative and programmatic changes in order to respond to the evolving needs of the HWLA Matched and Unmatched Programs.

The Honorable Board of Supervisors

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The Agreements may be terminated for convenience by the County upon 30 days prior written notice.

The Agreement includes all Board of Supervisors' required provisions, including the most recent provision for CARD.

County Counsel will approve the amendment as to form before it is presented to the CPs for execution.

CONTRACTING PROCESS

This action is to amend current Agreements with a term ending December 31, 2013.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation action will help ensure that there is continuity of drug access for all patients.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:kh

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

ATTACHMENT A

	HWLA CONTRACTOR NAME	CONTRACT NUMBER
1	AIDS HEALTHCARE FOUNDATION	H-705105
2	ALL FOR HEALTH, HEALTH FOR ALL, INC.	H-704829
3	ALTAMED HEALTH SERVICES CORPORATION	H-704830
4	AMERICAN INDIAN HEALING CENTER, INC.	H-704831
5	ANTELOPE VALLEY COMMUNITY CLINIC	H-704832
6	ARROYO VISTA FAMILY HEALTH FOUNDATION	H-704833
7	ASIAN PACIFIC HEALTH CARE VENTURE, INC.	H-704834
8	BAART COMMUNITY HEALTHCARE	H-704835
9	BIENVENIDOS CHILDREN'S CENTER, INC.	H-704836
10	CATHOLIC HEALTHCARE WEST - ST. MARY'S	H-705098
11	CENTRAL CITY COMMUNITY HEALTH CENTER, INC.	H-704837
12	CENTRAL NEIGHBORHOOD MEDICAL GROUP, INC.	H-704838
13	CHILDREN'S DENTAL FOUNDATION	H-704839
14	CHILDREN'S HOSPITAL OF LOS ANGELES	H-705099
15	CHINATOWN SERVICE CENTER	H-704840
16	CITY OF LONG BEACH	H-705109
17	CITY OF PASADENA	H-705100
18	CLINICA MSR. OSCAR A. ROMERO	H-704841
19	COMMUNITY HEALTH ALLIANCE OF PASADENA	H-704842
20	COMPREHENSIVE COMMUNITY HEALTH CENTER	H-704843
21	COMPTON CENTRAL HEALTH CLINIC, INC.	H-704844
22	DURFEE FAMILY CARE MEDICAL GROUP	H-704845
23	EAST VALLEY COMMUNITY HEALTH CENTER, INC.	H-704846
24	EL DORADO COMMUNITY SERVICE CENTER	H-704847

ATTACHMENT A

	HWLA CONTRACTOR NAME	CONTRACT NUMBER
25	EL PROYECTO DEL BARRIO	H-704848
26	EMILE G. SHENOUDA, M.D., INC.	H-704849
27	FAMILY HEALTH CARE CENTERS OF GREATER LA, INC.	H-704850
28	GARFIELD HEALTH CENTER	H-704851
29	HARBOR FREE CLINIC	H-704852
30	HERALD CHRISTIAN HEALTH CENTER	H-705657
31	JWCH INSTITUTE, INC.	H-704853
32	KOREAN HEALTH, EDUCATION, INFO & RESEARCH	H-704854
33	KORYO HEALTH FOUNDATION	H-704855
34	LONG BEACH MEMORIAL MEDICAL CENTER dba MILLER MEMORIAL CHILDREN'S HOSPITAL	H-705102
35	LOS ANGELES CHRISTIAN HEALTH CENTER	H-705658
36	LOS ANGELES GAY AND LESBIAN COMMUNITY SERVICE CENTER	H-705219
37	LOS ANGELES FREE CLINIC dba THE SABAN FREE CLINIC	H-704856
38	MISSION CITY COMMUNITY NETWORK, INC.	H-704857
39	NORTHEAST COMMUNITY CLINIC	H-704858
40	NORTHEAST VALLEY HEALTH CORPORATION	H-704859
41	PEDIATRIC AND FAMILY MEDICAL CENTER dba EISNER PEDIATRIC & FAMILY MEDICAL CENTER	H-704860
42	POMONA VALLEY HOSPITAL MEDICAL CENTER, INC.	H-704861
43	QUEENSCARE FAMILY CLINICS	H-704862
44	SACRED HEART FAMILY MEDICAL CLINICS, INC.	H-704863
45	SAMUEL DIXON FAMILY HEALTH CENTER, INC.	H-704864
46	SOUTH ATLANTIC MEDICAL GROUP, INC.	H-704865
47	SOUTH BAY FAMILY HEALTHCARE CENTER	H-704866
48	SOUTH CENTRAL FAMILY HEALTH CENTER	H-704867

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	HWLA CONTRACTOR NAME	CONTRACT NUMBER
49	ST. JOHN'S WELL CHILD AND FAMILY CENTER, INC.	H-704868
50	T.H.E. CLINIC, INC.	H-704869
51	TARZANA TREATMENT CENTER, INC.	H-704870
52	THE CATALYST FOUNDATION FOR AIDS AWARENESS AND CARE	H-704871
53	THE CHILDREN'S CLINIC "SERVING CHILDREN AND THEIR FAMILIES"	H-704872
54	THE CHURCH OF OUR SAVIOUR	H-704873
55	UNIVERSAL COMMUNITY HEALTH CENTER	H-705659
56	UNIVERSAL HEALTH FOUNDATION	H-704874
57	UNIVERSITY MUSLIM MED ASSOCIATION, INC.	H-704875
58	URDC HUMAN SERVICES CORPORATION	H-704876
59	VALLEY COMMUNITY CLINIC	H-704877
60	VENICE FAMILY CLINIC	H-704878
61	WATTS HEALTHCARE CORPORATION	H-704879
62	WESTSIDE FAMILY HEALTH CENTER	H-704880
63	WESTSIDE NEIGHBORHOOD CLINIC	H-704881
64	WILMINGTON COMMUNITY CLINIC	H-704882